

345 A



SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Don Kent, Treasurer/Tax Collector

SUBMITTAL DATE:
October 3, 2012

SUBJECT: Resolution No. 2012-224 – Val Verde Unified School District Fiscal Year 2012-2013 Tax and Revenue Anticipation Notes, Series A (Vote on Separately)

RECOMMENDED MOTION: That your Honorable Board approve and adopt Resolution No. 2012-224 providing for the issuance and sale of Tax and Revenue Anticipation Notes for the Val Verde Unified School District (the "District") in a principal amount not to exceed \$35,000,000.

BACKGROUND: Government Code Section 53853 provides that a school district's tax and revenue anticipation notes are to be issued by the Board of Supervisors of Riverside County when the Riverside County Superintendent of Schools has jurisdiction over that district. The Riverside County Superintendent of Schools has jurisdiction over the District, therefore the District has requested, by resolution, that the Board of Supervisors issue Val Verde Unified School District 2012-13 Tax and Revenue Anticipation Notes, Series A on behalf of the District. The District requests the issuance of the Notes to fund its short-term operating cash requirements during the 2012-2013 fiscal year.

(Continued on page two)

Don Kent, Treasurer-Tax Collector

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ 0	For Fiscal Year:	N/A

SOURCE OF FUNDS: N/A	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY:
Karen L. Johnson

County Executive Office Signature

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

FORM APPROVED COUNTY COUNSEL BY Dale A. Gardner 10/3/12 DATE 10/3/12 Departmental Concurrence

Consent Policy

Dep't Recomm.:
Per Exec. Ofc.:

Date: October 3, 2012
From: Treasurer-Tax Collector
Subject: Resolution No. 2012-224
Page 2

Resolution No. 2012-224 authorizes the issuance of Val Verde Unified School District 2012-13 Tax and Revenue Anticipation Notes, Series A in a principal amount not to exceed \$35,000,000. The District has pledged certain of its unrestricted revenues to be received or accrued during fiscal year 2012-2013 for the repayment of the Notes.

When issued, the notes will represent a general obligation of the District. The Notes will not constitute an obligation of the County. No funds of the County are pledged to the repayment of the Notes.

The Office of County Counsel has reviewed Resolution No. 2012-224 and has approved it as to form.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

RESOLUTION NO. 2012-224

**RESOLUTION OF THE BOARD OF SUPERVISORS OF RIVERSIDE COUNTY
PROVIDING FOR THE ISSUANCE OF VAL VERDE UNIFIED SCHOOL DISTRICT
(COUNTY OF RIVERSIDE, STATE OF CALIFORNIA) 2012-13 TAX AND REVENUE
ANTICIPATION NOTES, SERIES A**

WHEREAS, pursuant to Section 53850 *et seq.* of the Government Code of the State of California (the "Act") contained in Article 7.6 thereof, entitled "Temporary Borrowing" that provides for temporary borrowing by certain local agencies, on or after the first day of any fiscal year (being July 1), a school district may borrow money by issuing notes for any purpose for which the school district is authorized to expend moneys, including but not limited to current expenses, capital expenditures, and the discharge of any obligation or indebtedness of the school district; and

WHEREAS, Section 53853 of the Act provides that such notes must be issued in the name of the school district by the board of supervisors of a county, the county superintendent of which has jurisdiction over the school district, as soon as possible following the receipt of a Resolution of the governing board of the school district requesting the borrowing; and

WHEREAS, the Riverside County (the "County") Superintendent of Schools has jurisdiction over the Val Verde Unified School District (the "District"), and this Board of Supervisors of the County (the "County Board") has received a Resolution of the Board of Education of the District (the "District Board"), being the governing board of the District, adopted October 9, 2012, entitled "RESOLUTION OF THE BOARD OF EDUCATION OF THE VAL VERDE UNIFIED SCHOOL DISTRICT AUTHORIZING THE ISSUANCE OF 2012-13 TAX AND REVENUE ANTICIPATION NOTES, SERIES A, FOR SAID DISTRICT AND REQUESTING THE BOARD OF SUPERVISORS OF RIVERSIDE COUNTY TO ISSUE SAID NOTES" (the "District Resolution") which District Resolution requests the borrowing of not exceeding Thirty-Five Million Dollars (\$35,000,000) at an interest rate not to exceed the

FORM APPROVED COUNTY COUNSEL
BY: Dale A. Gardner 10/3/12
DATE

1 maximum rate per annum allowed by law, through the issuance by the County Board of 2012-13
2 Tax and Revenue Anticipation Notes, Series A (the "Notes") in the name of the District; and

3 **WHEREAS**, such Notes are payable on such date that is not later than thirteen months
4 after the date of issue, and such Notes shall be payable only from the District's revenue received
5 during or attributable to fiscal year 2012-13; and

6 **WHEREAS**, pursuant to Section 53856 of the Act, the District may pledge any taxes,
7 income, revenue, cash receipts or other moneys deposited in inactive or term deposits (but
8 excepting certain moneys encumbered for a special purpose); and the District Resolution specifies
9 that certain unrestricted revenues that will be received by the District for the General Fund of the
10 District during or attributable to fiscal year 2012-13 are pledged for the payment of the Notes;
11 and

12 **WHEREAS**, the Notes shall be a general obligation of the District, and to the extent not
13 paid from the taxes, income, revenue, cash receipts and other moneys of the District pledged for
14 the payment thereof shall be paid with interest thereon from any other moneys of the District
15 lawfully available therefor, as required by Section 53857 of the Act, and shall not in any way be
16 payable from County moneys; and

17 **WHEREAS**, the Notes shall be in denominations of \$5,000 or integral multiples thereof,
18 as permitted by Section 53854 of the Act; shall be issued on a date to be designated, as permitted
19 by Section 53853 of the Act; and shall be in the form and executed in the manner prescribed in
20 the District Resolution and herein, as required by Section 53853 of the Act; and

21 **WHEREAS**, the County Board has no independent knowledge of but accepts the
22 determination by the District that said \$35,000,000 maximum principal amount of Notes to be
23 issued by the County Board in fiscal year 2012-13 does not exceed eighty-five percent (85%) of
24 the estimated amount of the uncollected taxes, income, revenue (including but not limited to
25 revenue from state and federal governments), cash receipts and other moneys of the District
26 which will be available for the payment of the Notes and interest thereon, as required by
27 Section 53858 of the Act; and

28

1 **WHEREAS**, the District has determined that the Notes will not be outstanding after a
2 period ending thirteen months after the date on which such Notes are issued and will not be issued
3 in an amount greater than the maximum anticipated cumulative cash flow deficit to be financed
4 by the anticipated tax or other revenue sources for the period for which such taxes or other
5 revenues are anticipated and during which such Notes are outstanding, all as provided in
6 Section 1.103-14(c) of the Income Tax Regulations of the United States Treasury;

7 **NOW, THEREFORE**, the Board of Supervisors of Riverside County hereby resolves as
8 follows:

9 Section 1. Authorization of Issuance of Notes: Terms Thereof; Paying Agent. The
10 County Board hereby authorizes the issuance, in the name of the District, of an amount not to
11 exceed \$35,000,000 principal amount of Notes under Sections 53850 *et seq.* of the Act,
12 designated “Val Verde Unified School District, Riverside County, State of California, 2012-13
13 Tax and Revenue Anticipation Notes, Series A” (the “Notes”); to be numbered from 1
14 consecutively upward in order of issuance; to be in the denominations of \$5,000, or integral
15 multiples thereof; to be dated the date of delivery thereof; to mature (without option of prior
16 prepayment) either within 364 days from said date of delivery, or if such date is not a day on
17 which banks in New York or California are open for business, on the last day such banks are open
18 for business prior to such date, or some later date as set forth in the official statement pertaining
19 to the Notes (the “Official Statement”), but in no event later than thirteen months after the date of
20 issuance (on a 30-day month/360-day year basis); and unless otherwise provided for in the
21 Contract of Purchase (hereinafter defined), to bear interest, payable on or before the twelve-
22 month anniversary following the date of issuance and/or at maturity and computed on a 30-day
23 month/360-day year basis, at the rate or rates determined at the time of sale thereof, but not in
24 excess of the maximum rate per annum allowed by law. Both the principal of and interest on the
25 Notes shall be payable, only upon surrender thereof, in lawful money of the United States of
26 America at the office of U.S. Bank National Association, which is hereby designated to be the
27 paying agent for the Notes (in such capacity, the “Paying Agent”), to the registered owners
28

1 thereof (the "Owners"). This Board hereby approves payment of reasonable fees and expenses of
2 the Paying Agent to be made by the District as they shall become due and payable.

3 Section 2. Form of Notes. The Notes shall be issued in registered form, without coupons,
4 and shall be substantially in the form and substance set forth in Exhibit A attached hereto and by
5 reference incorporated herein, the blanks in said form to be filled in with appropriate words and
6 figures. The Notes shall be initially registered in the name of "Cede & Co." as nominee of The
7 Depository Trust Company, and shall be evidenced by one note in the full principal amount of the
8 Notes. The Depository Trust Company, New York, New York is hereby appointed depository for
9 the Notes (the "Depository"). Registered ownership may not thereafter be transferred except as
10 set forth in Section 4 hereof.

11 Section 3. Transfer and Exchange of Notes. In the event the Notes are no longer
12 registered in the name of "Cede & Co.," the registration of any Note may, in accordance with its
13 terms, be transferred, upon the registration books kept by the Paying Agent for such purpose, by
14 the person in whose name it is registered, in person or by his or her duly authorized attorney,
15 upon surrender of such note for cancellation, accompanied by delivery of a written instrument of
16 transfer, duly executed in a form approved by the Paying Agent.

17 Whenever any Note shall be surrendered for registration or transfer, the Paying Agent
18 shall execute and deliver a new Note, for a like aggregate principal amount. The Paying Agent
19 shall require the Owner requesting such registration of transfer to pay any tax or other
20 governmental charge required to be paid with respect to such transfer. The Paying Agent may
21 require the Owner requesting such registration of transfer to pay such additional reasonable
22 charge as may be necessary to cover customary expenses incurred and fees charged by the Paying
23 Agent with respect to such registration of transfer. The Paying Agent may treat the registered
24 owner of any Note as the absolute owner thereof for all purposes whatsoever in accordance with
25 this Resolution, and the Paying Agent shall not be affected by any notice to the contrary.

26 Subject to the provisions of Section 4 hereof, Notes may be exchanged at the office of the
27 Paying Agent for a like aggregate principal amount of Notes in other authorized denominations.
28 The Paying Agent shall require the payment by the Owner requesting such exchange of any tax or

1 other governmental charge required to be paid with respect to such exchange. The District may
2 require the Owner requesting such exchange to pay such additional reasonable charge as may be
3 necessary to cover customary expenses incurred and fees charged by the Paying Agent with
4 respect to such exchange.

5 Section 4. Use of Depository.

6 (A) The Notes shall be initially registered as provided in Section 2 hereof.
7 Registered ownership of the Notes, or any portion thereof, may not thereafter be transferred
8 except:

9 (i) To any successor of Cede & Co., as nominee of The Depository
10 Trust Company, or its nominee, or to any substitute depository designated pursuant to clause (ii)
11 of this Section 4 (a "substitute depository"); provided, that any successor of Cede & Co., as
12 nominee of The Depository Trust Company or a substitute depository, shall be qualified under
13 any applicable laws to provide the services proposed to be provided by it;

14 (ii) To any substitute depository not objected to by the Paying Agent,
15 upon (1) the resignation of The Depository Trust Company or its successor (or any substitute
16 depository or its successor) from its functions as depository, or (2) a determination by the
17 Treasurer and Tax Collector of the County (the "Treasurer") to substitute another depository for
18 The Depository Trust Company (or its successor) because The Depository Trust Company or its
19 successor (or any substitute depository or its successor) is no longer able to carry out its functions
20 as depository; provided, that any such substitute depository shall be qualified under any
21 applicable laws to provide the services proposed to be provided by it; or

22 (iii) To any person as provided below, upon (1) the resignation of The
23 Depository Trust Company or its successor (or substitute depository or its successor) from its
24 functions as depository, or (2) a determination by the County to remove The Depository Trust
25 Company or its successor (or any substitute depository or its successor) from its functions as
26 depository.

27 (B) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection
28 (A) of this Section 4, upon receipt of the outstanding Notes by the Paying Agent, together with a

1 request of the District to the Paying Agent, a new note shall be executed and delivered in the
2 aggregate principal amount of the Notes registered in the name of such successor or such
3 substitute depository, or their nominees, as the case may be, all as specified in such request of the
4 District. In the case of any transfer pursuant to clause (iii) of subsection (A) of this Section 4,
5 upon receipt of the outstanding Notes by the Paying Agent together with a request of the District
6 to the Paying Agent, new Notes shall be executed and delivered in such denominations numbered
7 in the manner determined by the Paying Agent and registered in the names of such persons as are
8 requested in such a request of the District; provided that the Paying Agent shall not be required to
9 deliver such new Notes within a period less than sixty (60) days from the date of receipt of such a
10 request of the District. Thereafter, Notes shall be transferred pursuant to Section 3 hereof.

11 (C) The Paying Agent shall be entitled to treat the person in whose name any
12 Note is registered as the Owner thereof for all purposes of this Resolution and any applicable
13 laws, notwithstanding any notice to the contrary received by the Paying Agent or the District; and
14 the Paying Agent shall have no responsibility for transmitting payments to, communication with,
15 notifying, or otherwise dealing with any beneficial owners of the Notes and neither the District
16 nor the Paying Agent will have any responsibility or obligations, legal or otherwise, to the
17 beneficial owners or to any other party, including The Depository Trust Company or its successor
18 (or substitute depository or its successor), except for the Owner of any Notes.

19 (D) So long as the outstanding Notes are registered in the name of Cede & Co.
20 or its registered assigns, the Paying Agent shall cooperate with Cede & Co., as sole registered
21 Owner, or its registered assigns in effecting payment of the principal of and interest on the Notes
22 by arranging for payment in such manner that funds for such payments are properly identified and
23 are made immediately available on the date they are due.

24 Section 5. Deposit of Note Proceeds. The moneys so borrowed shall be deposited in the
25 General Fund of the District.

26 Section 6. Payment of Notes.

27 (A) Source of Payment. The principal amount of the Notes, together with the
28 interest thereon, shall be payable from taxes, income, revenue, cash receipts and other moneys

1 which are received by the District during or are attributable to fiscal year 2012-13 and which are
2 available therefor, and are not payable from moneys of the County. The Notes shall be a general
3 obligation of the District, and to the extent the Notes are not paid from the Pledged Revenues
4 defined below, the Notes shall be paid with interest thereon from any other moneys of the District
5 lawfully available therefor, as provided in the District Resolution and by law. Notwithstanding
6 anything to the contrary contained herein or in any document mentioned herein or related to the
7 Notes, the County shall not have any monetary liability hereunder or by reason hereof or in
8 connection with the transactions contemplated hereby and the Notes shall be payable solely from
9 the moneys of the District available therefor as set forth in this Section and in Section 4 of the
10 District Resolution. Further, the County shall have no responsibility for or liability as a result of
11 the use of the proceeds of the sale of the Notes.

12 (B) Pledged Revenues. As security for the payment of the principal of and
13 interest on the Notes, as provided in the District Resolution, the District has pledged unrestricted
14 revenues received in or attributable to fiscal year 2012-13 in such amounts and in such months as
15 determined upon pricing of the Notes as shall be sufficient to pay principal of and interest on the
16 Notes through maturity (such pledged amounts being hereinafter called the "Pledged Revenues").
17 The term "unrestricted revenues" shall mean taxes, income, revenue, cash receipts, and other
18 money of the District as provided in Section 53856 of the Act, which are intended as receipts for
19 the General Fund of the District and which are generally available for the payment of current
20 expenses and other obligations of the District.

21 The principal of the Notes and the interest thereon shall be a first lien and charge against
22 and shall be payable from the first moneys received by the District from such Pledged Revenues
23 as provided by law.

24 In the event that there are insufficient unrestricted revenues received by the District to
25 permit the deposit into the Repayment Fund of the full amount of Pledged Revenues to be
26 deposited from unrestricted revenues in any month, then the amount of such deficiency shall be
27 satisfied and made up from any other moneys of the District lawfully available for the repayment
28 of the principal of the Notes and the interest thereon.

1 (C) Deposit of Pledged Revenues. The Pledged Revenues shall be held (in
2 accordance with the District Resolution) in a special fund designated as the “Val Verde Unified
3 School District, (County of Riverside, State of California), 2012-13 Tax and Revenue
4 Anticipation Notes, Series A Repayment Fund” (herein called the “Repayment Fund”) and
5 applied as directed in this Resolution. Any moneys accounted for in the Repayment Fund shall be
6 for the benefit of the holders of the Notes, and until the Notes and all interest thereon are paid or
7 until provision has been made for the payment of the Notes at maturity with interest to maturity,
8 the moneys accounted for in the Repayment Fund shall be applied only for the purposes for which
9 the Repayment Fund is created.

10 (D) Disbursement and Investment of Moneys in Repayment Fund. From the
11 date this Resolution takes effect, all Pledged Revenues shall, when received, be deposited into the
12 Repayment Fund. After such date as the amount of Pledged Revenues deposited in the
13 Repayment Fund shall be sufficient to pay in full the principal of and interest on the Notes, when
14 due, any moneys in excess of such amount remaining in or accruing to the Repayment Fund shall
15 be transferred to the General Fund of the District upon the request of the District. On the maturity
16 date of the Notes, the moneys in the Repayment Fund shall be used, to the extent necessary, to
17 pay the principal of and interest on the Notes. Moneys in the Repayment Fund shall be invested
18 in accordance with the provisions of the District Resolution.

19 Section 7. Execution of Notes. The Chairman is hereby authorized to sign the Notes
20 manually or by facsimile signature; the Treasurer, or a designated deputy thereof, is hereby
21 authorized to sign the Notes manually; and the Clerk of the County Board (the “Clerk”) is hereby
22 authorized to countersign the Notes manually or by facsimile signature; the Clerk is hereby
23 authorized to affix the seal of the County Board thereto by printed copy or facsimile impression
24 thereof; and said officers are hereby authorized to cause the blank spaces thereof to be filled in as
25 may be appropriate.

26 Section 8. Approval of Contract of Purchase. The Notes shall be sold by negotiated sale.
27 The form of Contract of Purchase for the Notes, substantially in the form presented to this
28 meeting and on file with the Clerk is hereby approved. The Treasurer or the Treasurer’s designee

1 is hereby authorized to execute and deliver the Contract of Purchase on behalf of the County, and
2 the Treasurer is hereby authorized and requested to acknowledge such Contract of Purchase, if
3 necessary, such approval to be conclusively evidenced by his or her execution and delivery
4 thereof. The Treasurer or the Treasurer's designee, working in conjunction with the
5 Superintendent or the Deputy Superintendent or an authorized deputy thereof, is hereby further
6 authorized to determine the maximum principal amount of Notes to be specified in the Contract
7 of Purchase, up to \$35,000,000 and to enter into and execute the Contract of Purchase with the
8 Underwriter named therein (the "Underwriter") upon the terms and conditions set forth in the
9 District Resolution and this Resolution.

10 Section 9. Delivery of Notes. The proper officers of the County Board are hereby
11 authorized and directed to deliver the Notes to the Underwriter. All actions heretofore taken by
12 the officers and agents of the County with respect to the sale and issuance of the Notes are hereby
13 approved, confirmed and ratified, and the officers of the County are hereby authorized and
14 directed, for and in the name and on behalf of the County, to do any and all things and take any
15 and all actions and execute and deliver any and all certificates, agreements and other documents
16 which they, or any of them, may deem necessary or advisable in order to consummate the lawful
17 issuance and delivery of the Notes in accordance with this Resolution and the District Resolution.

18 Section 10. Further Actions Authorized. It is hereby covenanted that the County, and its
19 appropriate officials, have duly taken all proceedings necessary to be taken by them, and will take
20 any additional proceedings necessary to be taken by them, for the levy, collection and
21 enforcement of the secured property taxes pledged under the District Resolution in accordance
22 with the law and for carrying out the provisions of the District Resolution and of this Resolution.

23 In addition, notwithstanding any other provision herein, the provisions of this Resolution
24 may be amended by the Contract of Purchase.

25 Section 11. Investment of Note Proceeds. Notwithstanding anything to the contrary
26 contained herein, the proceeds of the Notes shall be pledged to the payment of the Notes in the
27 event and to the extent sufficient Pledged Revenues of the District and other legally available
28 revenues are not deposited into the Repayment Fund. In addition to investments in the

1 Treasurer's Pooled Investment Fund, pursuant to Section 53601(1) of the Government Code of
2 the State of California, the following are hereby designated as additional authorized investments
3 for the proceeds of the Notes: (i) a guaranteed investment contract with a financial institution or
4 insurance company which has or its guarantor has at the date of execution thereof one or more
5 outstanding issues of unsecured, uninsured and unguaranteed debt obligations or a claims paying
6 ability rated not lower than the second highest rating category (without regard to subcategories)
7 by Standard & Poor's Ratings Services and Moody's Investors Service (in which case, the
8 Superintendent or the Deputy Superintendent of the District shall execute a certificate of
9 indemnity holding the Treasurer and the County, its officers, employees and servants harmless
10 and indemnifying them from any costs, liabilities, claims or damages, including but not limited to
11 attorneys' fees, caused by or arising from the investment of the funds in such an instrument, or,
12 alternatively, a written agreement to pay for any costs, liabilities, claims or damages, including
13 but not limited to attorneys' fees, to the Treasurer, the County, its officers, employees and
14 servants, caused by or arising from the investment of the funds in such an instrument); or (ii) the
15 Local Agency Investment Fund ("LAIF") administered by the State of California.

16 Note proceeds shall be invested as directed by the District. To the extent that moneys
17 invested or held by the County are subject to arbitrage rebate, neither the County nor any officer
18 or employee of the County shall assume hereunder or under the provisions of any rebate
19 certificate any duty or obligation to make the actual calculations of arbitrage rebate liability of the
20 District, or to pay any such rebate or any penalties in regard thereto if the District miscalculates or
21 fails to pay or cause such rebate or such penalties to be paid.

22 Section 12. Limited Liability of County. Notwithstanding anything to the contrary
23 contained herein, in the Notes or in any other document mentioned herein or used in connection
24 herewith, the County, County Board, officers, employees and agents shall have no responsibility
25 with respect to the Preliminary Official Statement or the Official Statement, or any of the
26 information contained therein, or by reason thereof. Furthermore, the County, County Board,
27 officers, employees and agents hereby disclaim any responsibility under Rule 15c2-12 of the
28

1 Securities and Exchange Commission (the "Rule") with respect to the Notes because the County
2 is not an "Obligated Person" pursuant to the Rule.

3 Section 13. Recitals. All the recitals in this Resolution above are true and correct and this
4 County Board so finds, determines and represents.

5 The foregoing Resolution was, on the 16th day of October, 2012, adopted by the Board of
6 Supervisors of the County of Riverside.

7 KECIA HARPER-IHEM,
8 Clerk of the Board of Supervisors
9 of the County of Riverside

10 By: _____
11 Deputy

12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

**EXHIBIT A
FORM OF NOTE**

REGISTERED

REGISTERED

No. 1

\$

VAL VERDE UNIFIED SCHOOL DISTRICT
(COUNTY OF RIVERSIDE, STATE OF CALIFORNIA)
2012-13 TAX AND REVENUE ANTICIPATION NOTE, SERIES A

<u>Rate of Interest:</u>	<u>Dated Date:</u>	<u>Maturity Date:</u>	<u>CUSIP:</u>
%	_____, 2012	_____, 2013	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

FOR VALUE RECEIVED, the Val Verde Unified School District (the "District"), County of Riverside, State of California, acknowledges itself indebted to and promises to pay the Registered Owner identified above, or registered assignee, at the office of U.S. Bank National Association, as paying agent (the "Paying Agent"), the Principal Amount specified above in lawful money of the United States of America, on the Maturity Date set forth above, together with interest thereon at the Rate of Interest per annum set forth above, in like lawful money of the United States of America from the date hereof until payment in full of said principal sum. Both the principal of and interest on this Note shall be payable only upon surrender of this Note as the same shall fall due; provided, however, no interest shall be payable for any period after maturity during which the Registered Owner fails to properly present this Note for payment.

It is hereby certified, recited and declared that this Note is one of an authorized issue of Notes in the aggregate principal amount of _____ Dollars (\$ _____) all of like date, tenor and effect, made, executed and given pursuant to and by authority of a Resolution of the Board of Supervisors of Riverside County duly passed and adopted on October 16, 2012 (the "Resolution") and a Resolution of the Board of Education of the District duly passed and adopted on October 9, 2012, under and by authority of Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5, California Government Code, and that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of the District, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

The principal amount of the Notes, together with the interest thereon, shall be payable from taxes, income, revenue, cash receipts and other moneys that are received by the District

during or are attributable to fiscal year 2012-13. As security for the payment of the principal of and interest on the Notes, the District has pledged an amount equal to fifty percent (50%) of the principal amount of the Notes from the unrestricted revenues received by the District in the month ending _____, 2013; and an amount equal to fifty percent (50%) of the principal amount of the Notes from the unrestricted revenues received by the District in the month ending _____, 2013, plus an amount sufficient to pay interest on the Notes and any deficiency in the amount required to be deposited during any prior month (such pledged amounts being hereinafter called the "Pledged Revenues"); and the principal of the Notes and the interest thereon shall constitute a first lien and charge thereon and shall be payable from the Pledged Revenues, and to the extent not so paid shall be paid from any other moneys of the District lawfully available therefor. The Notes are general obligations of the District and do not represent a debt or obligation of the County of Riverside.

This Note is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the office of the Paying Agent but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Note. Upon such transfer a new Note or Notes of authorized denominations and for the same aggregate principal amount will be issued to the transferees in exchange herefor.


The County, the District and the Paying Agent may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the County, the District nor the Paying Agent shall be affected by any notice to the contrary.

Unless this Note is presented by an authorized representative of The Depository Trust Company to the Paying Agent or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co. has an interest herein.

IN WITNESS WHEREOF, Riverside County has caused this Val Verde Unified School District, Riverside County, State of California, 2012-13 Tax and Revenue Anticipation Note, Series A to be executed by the Chairman of its Board of Supervisors and by the Clerk of its Board of Supervisors by facsimile signature and countersigned by the Treasurer and Tax Collector by manual signature and has caused a facsimile of its official seal to be impressed or printed hereon this ___ day of _____, 2012.

RIVERSIDE COUNTY

By: _____ [Facsimile Signature] _____
Chairman of the Board of Supervisors

By: _____  [Manual Signature] _____
Treasurer and Tax Collector

(SEAL)

Countersigned

By: _____ [Signature] _____
Clerk of the Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This is one of the Notes described in the within-mentioned Resolution of the Board of Supervisors of the County of Riverside.

DATED: _____, 2012

U.S. BANK NATIONAL ASSOCIATION, as
Paying Agent

By: _____
Authorized Officer

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto the _____ within-mentioned registered Note and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent with full power of substitution in the premises.

Dated: _____

Signature Guaranteed by:

NOTE: Signature(s) must be guaranteed by an eligible guarantor institution.

NOTE: The signature to the assignment must correspond to the name as it appears upon the face of this Note in every particular, without any alteration or change whatsoever.